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RUEAWJA/USDOJ WASHDC PRIORITY
RULSDMK/USDOT WASHDC PRIORITY
RUCPDOG/USDOC WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC//J5//
RHHMUNA/HQ USPACOM HONOLULU HI
RHHMHBA/COMPACFLT PEARL HARBOR HI
RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA//
RHMFIUU/COMUSJAPAN YOKOTA AB JA//J5/JO21//
RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA
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CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 08/07/06

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(8) Poll on 100 corporate presidents: 44 PERCENT says economic expansion will continue for more than a year; 76 PERCENT positive about M&As; US economy, high crude oil prices are matters of concern

(9) Japan-ROK joint poll: No way out of anti-Japanese sentiments in South Korea; Pro-ROK mood cools down in Japan

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(8) Poll on 100 corporate presidents: 44 PERCENT says economic expansion will continue for more than a year; 76 PERCENT positive about M&As; US economy, high crude oil prices are matters of concern

NIHON KEIZAI (Top Play) (Almost full)
August 7, 2006

The Nihon Keizai Shimbun has conducted a survey of 100 corporate presidents and compiled the results on August 6. In the poll, 95 PERCENT of respondents replied that they saw the economy as expanding, and 44 PERCENT of them took the view that the economy would continue to expand for more than a year. More than 80 PERCENT of surveyed corporate managers cited the US economy and rising crude oil prices as matters of concern. Nearly 80 PERCENT of respondents were proactive about corporate mergers and acquisitions (M&A), which are increasing throughout the world.

The poll was conducted on presidents (including chairmen) of major Japanese companies from late July through early August, and 113

replies were received. To a question on the present state of the economy, the number of pollees who replied, "expanding," dropped 3.7 points from the previous survey carried out in March. However, more than 90 PERCENT of corporate pollees still see the economy as robust.

Among those who replied that the economy is growing, 93.6 PERCENT replied that the expansionary trend would continue through October 2006 and on to December or beyond. Of these, 44.8 PERCENT thought the trend would continue into the July to September period of 2007. If the current economic expansion continues until November this year, marking 58th months of expansion, it would top the Izanagi boom, the longest period of prosperity and rapid economic expansion in Japan (1965-1970). Most respondents are confident that the current economic expansion will top the Izanagi boom and that the trend will continue.

As future matters of concern, rising prices of natural resources, such as crude oil, were cited by 86.5 PERCENT of respondents and the political and economic situations in the US by 85 PERCENT (plural replies were allowed). The number of respondents who singled out rising crude oil prices above other factors rose 37.7 points from the previous survey. The surge in crude oil prices is serving as a downside risk factor to corporate performances in the transportation and petrochemical areas. There is also a growing view that soaring gasoline prices will have an impact on the now solid trend of personal consumption.

As countries whose economies are posing concern about a downturn, 77.4 PERCENT cited the US, a jump of 21.5 points from the preceding survey, largely topping Europe, cited by 6.8 PERCENT, and Japan, cited by 4.5 PERCENT. Due to the impact of the belt-tightening policy, which has been in place since 2004, investment in housing

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and personal consumption are slowing in the US. Pollees are concerned about the future of the US economy.

Amid the progress of global reorganization in such sectors as steel, 71.4 PERCENT replied that they would consider M&As in a positive manner, if the offer were favorable. A total of 76.75 of respondents, combining 4.5 PERCENT, who replied that they would consider M&A proposals, if they were friendly bids, and 0.8 PERCENT, who replied that they would consider the offer, if necessary, even if they were hostile bids, view M&As in a positive manner.

Regarding the aim of accepting M&As, the largest number of 73.5 PERCENT replied, "in order to strengthen weak areas in the main business line or existing businesses," followed by 69.6 PERCENT, who replied, "in order to put new projects or overseas projects on a smooth track in a short period of time."

To a question on the lifting of the zero interest rate policy by the Bank of Japan, the largest number of 61.7 PERCENT said, "There will be no major impact." Though interest rates are expected to rise in the future, 84.2 PERCENT of corporate managers said they would carry out their capital investment plans for fiscal 2006 as originally planned.

(9) Japan-ROK joint poll: No way out of anti-Japanese sentiments in South Korea; Pro-ROK mood cools down in Japan

YOMIURI (Page 12) (Full)

August 7, 2006

Questions & Answers
(Figures shown in percentage)

Q: What's your impression of South Korea?

Japan ROK			
Very good	4.9	---	
Good to a certain degree	38.6	---	
Bad to a certain degree	39.7	---	
Very bad	11.5	---	
No answer (N/A)	5.4	---	

Q: What's your impression of Japan?

Japan ROK			
Very good	---	0.2	
Good to a certain degree	---	16.9	
Bad to a certain degree	---	60.9	
Very bad	---	21.2	
N/A	---	0.8	

Q: What about North Korea?

Japan ROK			
Very good	0.3	1.3	
Good to a certain degree	0.1	29.6	
Bad to a certain degree	10.0	55.0	

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(8) Poll on 100 corporate presidents: 44 PERCENT says economic expansion will continue for more than a year; 76 PERCENT positive about M&As; US economy, high crude oil prices are matters of concern

Very bad	88.2	12.8
N/A	1.4	1.3

Q: Which country or area do you think will pose a military threat to your country? Pick one or more from among those listed below if any.

Japan ROK			
Japan	---	55.2	
ROK	10.9	---	
U.S.	17.6	32.0	
China	44.0	36.0	
ASEAN	0.5	0.5	
EU	0.5	0.2	
Russia	12.7	6.0	
Taiwan	0.5	0.4	
North Korea	77.7	59.1	
India	2.9	0.2	
Middle East	7.8	2.8	
Oceania	0.3	0.1	
Africa	0.3	0.2	
Central & South America	0.8	0.1	
Other answers (O/A)	0.2	---	
Nothing in particular (NIP)	4.3	1.3	
N/A	3.3	0.3	

Q: Japan has sent Self-Defense Forces personnel to Iraq for humanitarian reconstruction assistance. Would you like Japan to continue its SDF deployment overseas for humanitarian reconstruction assistance?

Japan ROK			
Yes	23.1	5.8	
Yes to a certain degree	27.2	36.3	
No to a certain degree	23.6	40.5	
No	22.3	15.1	
N/A	3.8	2.3	

Q: The United Nations Security Council is currently made up of five countries-the United States, France, Britain, China, and Russia.

For Japanese respondents: Do you think Japan should join the UNSC as a permanent member?

Japan (1995)		
Yes	57.3	(47.4)
No	17.4	(25.4)
Not interested	19.3	(20.3)
N/A	6.0	(6.8)

For South Korean respondents: Do you think Japan should be seated on the UNSC as a permanent member?

ROK (1995)		
Yes	12.3	(19.1)
No	70.3	(48.4)
Not interested	15.5	(19.5)

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(8) Poll on 100 corporate presidents: 44 PERCENT says economic expansion will continue for more than a year; 76 PERCENT positive about M&As; US economy, high crude oil prices are matters of concern

N/A	1.9	(13.0)
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Q: The so-called Class-A war criminals, who were held responsible for the past war in the International Military Tribunal for the Far East (Tokyo Trials), are also enshrined at Yasukuni Shrine, where the war dead and others are enshrined. Is this acceptable to you?

Japan ROK			
Yes	23.8	2.8	
Yes to a certain degree	22.3	13.2	
No to a certain degree	20.8	42.5	
No	23.1	39.8	
N/A	10.0	1.7	

Q: Do you think it all right for a Japanese prime minister to pay homage at Yasukuni Shrine?

Japan ROK		
Yes	59.8	10.0
No	35.4	85.8
N/A	4.8	4.2

Q: Do you think Japan may become a military power in the future, or do you otherwise think Japan is already a military power?

Japan ROK		
Yes	19.0	40.9
No	71.1	37.8
Already a military power	6.4	19.9
N/A	3.5	1.4

Q (in Japan): What's your interest in Japan's relations with China and South Korea? Pick as many as you like from among those listed below.

Q (in South Korea): What's your interest in South Korea's relations with Japan? Pick as many as you like from among those listed below.

Japan ROK		
Resume mutual visits between top leaders		
	33.2	15.8
Yasukuni Shrine homage	37.9	42.8
Territorial row over Senkaku, Takeshima (Dokdo) isles	59.0	88.0
Joint study of history	17.1	32.5
Earth environment	22.4	8.2
Trade, economic exchanges	23.6	24.3
Economic, technological cooperation	16.6	22.9
Accepting workers from China, South Korea to Japan	7.9	5.3
Cultural, human exchanges	23.6	17.7
Sightseeing, shopping	10.6	15.0
O/A+NIP+N/A	8.4	0.5

Q: Do you think the relationship between Japan and South Korea is now in good shape, or in bad shape?

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	Japan	ROK
Very good	3.2	0.1
Good to a certain degree	32.8	12.0
Bad to a certain degree	48.3	73.6
Very bad	11.1	13.6
N/A	4.8	0.7

Q: Do you think South Korea (Japan) is trustworthy?

	Japan	ROK
Very trustworthy	4.7	0.4
Somewhat trustworthy	38.7	10.5
Not very trustworthy	37.8	59.2
Not trustworthy at all	13.4	29.4
N/A	5.4	0.5

Q: Do you think what Japanese troops did on the Korean Peninsula or in other Asian countries during World War II still prevents Japan and South Korea from developing their relations?

	Japan	ROK
Yes	74.8	75.0
No	19.6	23.5
N/A	5.6	1.5

Q: Do you think it possible to resolve the territorial row over Takeshima (Dokdo) through intergovernmental talks between Japan and South Korea?

	Japan	ROK
Yes	12.6	2.7
Yes to a certain degree	17.0	17.9
No to a certain degree	28.2	53.0
No	37.3	25.8
N/A	4.9	0.6

Q: South Korean President Roh Moo Hyun has blamed Japan for its territorial claim to the Takeshima (Dokdo) isles and stands firm against Japan. Do you think such an attitude assumed by the South Korean president is appropriate?

	Japan	ROK
Yes	3.1	37.7
Yes to a certain degree	7.0	34.5
No to a certain degree	32.7	22.0
No	51.2	4.7
N/A	5.9	1.1

Q: Do you feel a threat from North Korea's ongoing nuclear development? Pick only one from among those listed below.

	Japan	ROK
Yes, very much	55.3	13.6
Yes, somewhat	31.8	45.8
No, not very much	9.6	32.5
No, not at all	1.9	7.8

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expansion will continue for more than a year; 76 PERCENT positive about M&As; US economy, high crude oil prices are matters of concern

N/A 1.4 0.3

Q: (Only for those who answered "yes" to the foregoing question) What do you think is needed to have North Korea give up on its nuclear development programs?

	Japan	ROK
Dialogue	24.2	66.3
Pressure	56.7	20.0
Can't say which	18.0	13.5
N/A	1.1	0.2

Q: Do you think Japan and South Korea should cooperate to resolve the issue of Japanese and South Korean nationals abducted to North Korea?

	Japan	ROK
Yes	67.7	16.3
Yes to a certain degree	20.2	52.0
No to a certain degree	5.0	28.7
No	5.2	2.5
N/A	1.9	0.5

Q: Do you think the relationship between Japan and South Korea will change for the better, or change for the worse?

	Japan	ROK
Very good	5.1	0.9
Good to a certain extent	32.4	19.7
Unchanged	49.3	61.2
Bad to a certain extent	8.4	16.6
Very bad	1.5	1.0
N/A	3.4	0.6

Q (in Japan): Prime Minister Koizumi's term as his ruling Liberal Democratic Party's president will end in September this year. Do you expect the next prime minister to improve Japan's ties with China and South Korea?

Q (in South Korea): Prime Minister Koizumi's term as his ruling Liberal Democratic Party's president will end in September this year. Do you expect the next Japanese prime minister to improve South Korea's ties with Japan?

	Japan	ROK
Yes, very much	39.4	2.4
Yes, somewhat	36.4	30.8
No, not very much	16.7	57.1
No, not at all	5.4	5.6
N/A	2.2	4.1

Q (in South Korea only): What's your interest in Japan? Pick as many as you like from among those listed below if any.

	Japan	ROK
TV programs	---	8.5
Animations, comics	---	25.6

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Pop music	---	5.8
Movies	---	9.7
Talent	---	3.8
Autos, motorcycles	---	21.1
Home electric appliances	---	43.5
Personal computers	---	5.9

Japanese food	---	17.2
Fashion	---	14.6
Japanese business management	---	11.5
Japanese language	---	12.5
Japanese thinking	---	19.5
TV, PC games	---	8.5
Sumo wrestling, baseball, other sports	---	9.2
Kabuki, other traditional cultures	---	2.4
O/A	---	0.8
NIP+N/A	---	9.7

Polling methodology

Japan: The survey was conducted July 8-9 by the Yomiuri Shimbun on the basis of door-to-door visits for face-to-face interviews. For the survey, a total of 3,000 persons were chosen from among the nation's voting population at 250 locations on a stratified two-stage random-sampling basis. Answers were obtained from 1,867 persons (62.2 PERCENT). In the breakdown of respondents, males accounted for 48.6 PERCENT and females 51.4 PERCENT .

ROK: The survey was conducted from June 22 through July 3 by the Hankook Ilbo (Korea Times), a South Korean daily, and its contractor, Millward Brown Media Research Inc., on the basis of door-to-door visits for face-to-face interviews. For the survey, pollees were chosen from among males and females, aged 20 and over, at 106 locations across the nation, on a stratified multi-stage sampling basis. Answers were obtained from a total of 1,000 persons. In their breakdown, males accounted for 49.5 PERCENT and females 50.5 PERCENT . The previous surveys in 1995, 2002, and 2005 were conducted in the same way as the latest survey. The survey in 1996 was conducted in five cities, including Seoul.

SCHIEFFER